

Asset Quality Report as of 31st March 2018

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La Banque Postale Home Loan SFH, is a French *Société Anonyme* under the laws of France, licensed as credit institution with the status of *établissement de crédit spécialisé - société de financement de l'habitat*.

The assets of La Banque Postale Home Loan SFH consist of home loans and replacement assets that are eligible for *sociétés de financement de l'habitat*, in terms of the French legal framework.

The present asset quality report of La Banque Postale Home Loan SFH, based on the figures as of 31st March 2018, is in accordance with provisions of Article 13 of *Règlement n°99-10* of *Comité de réglementation bancaire et financière*, related to *sociétés de crédit foncier* and Instruction n°2011-I-07, related to publication, by *sociétés de crédit foncier* and *sociétés de financement de l'habitat*, of information concerning the quality of refinanced assets.

I – Guaranteed Loans

1) Breakdown of eligible outstanding balance of guaranteed loans by type of counterparties and guarantees:

| Categories of receivables | Outstanding balance (in M€) |
|---------------------------|-----------------------------|
| Commercial receivables | |
| Export credit | |
| Cash credit | |
| Investment loans | |
| Home loans | 8 383 |
| Loans to developers | |
| Other loans | |
| Total | 8 383 |

| Counterparty types | Outstanding balance (in M€) |
|--|-----------------------------|
| Non-financial companies and individual entrepreneurs | |
| Individuals | 8 383 |
| Other | |
| Total | 8 383 |

| Guarantee types | Outstanding balance (in M€) |
|--|-----------------------------|
| Residential mortgage | 2 417 |
| Business mortgage | |
| Guarantee (<i>cautionnement</i>) granted by a credit institution | 5 966 |
| Guarantee (<i>cautionnement</i>) granted by an insurance company | |
| Guarantee from <i>Fonds de garantie à l'accession sociale à la propriété</i> | |
| Total | 8 383 |

The only credit institution that grants guarantees (*cautionnement*) for the home loans in the Cover Pool is Crédit Logement.

There are no non-performing loans in the Cover Pool.

2) Breakdown of eligible outstanding balance of loans, guaranteed by a mortgage or credit institution (*cautionnement*), according to the eligible amount for financing by privileged debt:

| Guarantee types | Outstanding principal (in M€) | Product of financing portion, as defined under the article R. 515-2 (CMF), and value of financed property | Total |
|--|-------------------------------|---|--------------|
| Residential mortgage | 1 671 | 746 | 2 417 |
| Guarantee (<i>cautionnement</i>) granted by credit institution | 3 989 | 1 978 | 5 966 |
| Total | 5 660 | 2 723 | 8 383 |

3) Breakdown of eligible outstanding balance of guaranteed loans by the year of conclusion of the loan contract:

| Year of conclusion of the loan contract | Loans secured by residential mortgage | | Loans guaranteed (<i>cautionnement</i>) by guarantee granted by credit institution | |
|---|---------------------------------------|-----------------|--|-----------------|
| | Outstanding principal (in M€) | Number of loans | Outstanding principal (in M€) | Number of loans |
| 2006 | 16 | 443 | 92 | 2 449 |
| 2007 | 28 | 798 | 217 | 5 344 |
| 2008 | 32 | 1 092 | 274 | 7 463 |
| 2009 | 36 | 1 047 | 385 | 9 125 |
| 2010 | 43 | 1 134 | 699 | 14 598 |
| 2011 | 62 | 2 021 | 712 | 16 749 |
| 2012 | 130 | 3 185 | 486 | 10 430 |
| 2013 | 322 | 5 896 | 665 | 11 688 |
| 2014 | 478 | 8 188 | 542 | 8 984 |
| 2015 | 690 | 8 662 | 960 | 13 370 |
| 2016 | 432 | 4 576 | 622 | 7 118 |
| 2017 | 145 | 1 212 | 313 | 3 021 |
| Total | 2 417 | 38 254 | 5 966 | 110 339 |

4) Breakdown of eligible outstanding balance of guaranteed loans by loans remaining terms:

| Remaining term (years) | Loans secured by residential mortgage | | Loans guaranteed (<i>cautionnement</i>) by guarantee granted by credit institution | |
|------------------------|---------------------------------------|-----------------|--|-----------------|
| | Outstanding principal (in M€) | Number of loans | Outstanding principal (in M€) | Number of loans |
| 0 | 0 | 497 | 3 | 2 426 |
| 1 | 5 | 787 | 29 | 4 289 |
| 2 | 11 | 927 | 77 | 5 899 |
| 3 | 17 | 997 | 131 | 6 287 |
| 4 | 32 | 1 376 | 170 | 6 241 |
| 5 | 50 | 1 829 | 216 | 6 438 |
| 6 | 72 | 2 940 | 265 | 7 266 |
| 7 | 89 | 2 828 | 390 | 8 393 |
| 8 | 86 | 2 379 | 419 | 8 078 |
| 9 | 79 | 1 688 | 344 | 6 227 |
| 10 | 104 | 1 952 | 391 | 6 209 |
| 11 | 109 | 1 808 | 415 | 5 947 |
| 12 | 146 | 2 059 | 473 | 6 351 |
| 13 | 128 | 1 683 | 397 | 5 167 |
| 14 | 126 | 1 588 | 378 | 4 642 |
| 15 | 108 | 1 313 | 302 | 3 793 |
| 16 | 126 | 1 465 | 284 | 3 430 |
| 17 | 196 | 1 990 | 317 | 3 640 |
| 18 | 176 | 1 692 | 279 | 2 981 |
| 19 | 137 | 1 268 | 231 | 2 276 |
| 20 | 79 | 798 | 85 | 1 049 |
| 21 | 98 | 942 | 83 | 911 |
| 22 | 154 | 1 291 | 81 | 825 |
| 23 | 151 | 1 204 | 95 | 824 |
| 24 | 132 | 924 | 109 | 724 |
| 25 | 4 | 25 | 4 | 26 |
| 26 | 0 | 1 | - | - |
| 27 | 0 | 2 | - | - |
| 28 | 0 | 1 | - | - |
| 29 | - | - | - | - |
| 30 | - | - | - | - |
| Total | 2 417 | 38 254 | 5 966 | 110 339 |

5) Breakdown of eligible outstanding balance of guaranteed loans by location of the financed property by country:

All properties financed by home loans in the cover pool are located in France.

6) Breakdown of eligible outstanding balance of guaranteed loans by weighting assigned under the cover ratio between assets and privileged debt:

Home loans that are guaranteed by a credit institution (*cautionnement*) are guaranteed by Crédit Logement, the institution that does not take part in the scope of consolidation of La Banque Postale group.

The long-term ratings of Crédit Logement are Aa3 (Moody's) and AAL (DBRS), therefore it benefits from the highest level of credit assessment, according to the French Regulation, hence the weighting assigned to home loans guaranteed by Crédit Logement is 100%.

Home loans guaranteed by a first-ranking mortgage are weighted by 100%.

7) Breakdown of outstanding balance of loans mobilized by promissory notes, under the articles L. 313-42 to L. 313-49 of French Monetary and Financial Code:

No loans mobilized by promissory notes under the home loans granted as collateral security.

II - Exposure to public entities

La Banque Postale Home Loan SFH has no exposure on public entities except for those described in §IV relative to "Replacement Assets" and cash on the current account opened in the books of Banque de France, with an outstanding credit balance of EUR 17 365.80 as of 31st March 2018.

III - Securitization vehicles and similar entities

La Banque Postale Home Loan SFH has no exposure on securitization vehicles and similar entities.

IV - Replacement Assets (*valeurs de remplacement*)

As of 31st March 2018, La Banque Postale Home Loan SFH holds following replacement assets (*valeurs de remplacement*):

1) Bonds

La Banque Postale Home Loan SFH holds a bond portfolio classified as "Held-to-Collect" with an exposure on French state only and corresponding to the reinvestment of a part of its capital.

| ISIN Code | Name of series | Nominal Amount (Euros) | Classification |
|--------------|---------------------|------------------------|----------------|
| FR0010604983 | OAT 4.00 25/04/2018 | 10 900 000 | HTC |
| FR0000189151 | OAT 4.25 25/04/2019 | 10 900 000 | HTC |
| FR0010854182 | OAT 3.50 25/04/2020 | 10 900 000 | HTC |
| FR0010192997 | OAT 3.75 25/04/2021 | 10 900 000 | HTC |
| FR0011196856 | OAT 3.00 25/04/2022 | 10 900 000 | HTC |
| FR0011486067 | OAT 1.75 25/05/2023 | 10 900 000 | HTC |
| Total | | 65 400 000 | |

This portfolio is ECB eligible.

As of 31st March 2018, the market value of the portfolio is EUR 72 712 502. After ECB haircut, the value as replacement assets is EUR 71 195 210.

As of today, this portfolio has not been posted in collateral to the Central Bank.

2) Cash

La Banque Postale Home Loan SFH disposes of two current accounts opened in the books of La Banque Postale, with an outstanding credit balance of EUR 36 135 163.77 as of 31st March 2018.

V - Prepayments

The annualized prepayment rate calculated on the basis of home loan portfolio for the first quarter 2018 is 6.90%.

VI - Interest rate risk

Each covered bond issue is lent to La Banque Postale, by a guaranteed loan with the same principal amount and with a fixed nominal interest rate higher or equal to the fixed nominal rate of the issue, and of the same maturity. The only interest rate risk borne by La Banque Postale Home Loan SFH is the risk generated by the capital re-investment.

Since the first of January 2016, the EBA guidelines on the management of interest rate risk arising from non-trading activities (Guideline EBA/GL/2015/08 from 22nd May 2015) have been applied by La Banque Postale Home Loan SFH and henceforth the capital are excluded from the interest rate risk measurement without modification in the capital re-investment policy of the company (capital investment portfolio replicating a 10 years linear amortization).

In case of a La Banque Postale default, La Banque Postale Home Loan SFH would receive the home loans transferred as a guarantee in the Cover Pool: in such case, La Banque Postale Home Loan SFH would be exposed to interest rate risk, because of the mismatch between its bond issues and the home loan portfolio.

As of 31st March 2018, the sensitivity of the net present value of secured issuances and the share of Cover Pool necessary to respect the contractual rate of overcollateralization of 8.1% is EUR 19.23 Million for a 200 bps move, that is to say 9.15 % of the capital of La Banque Postale Home Loan SFH (taking into account a 12.41 % per year prepayment rate in the Cover Pool).

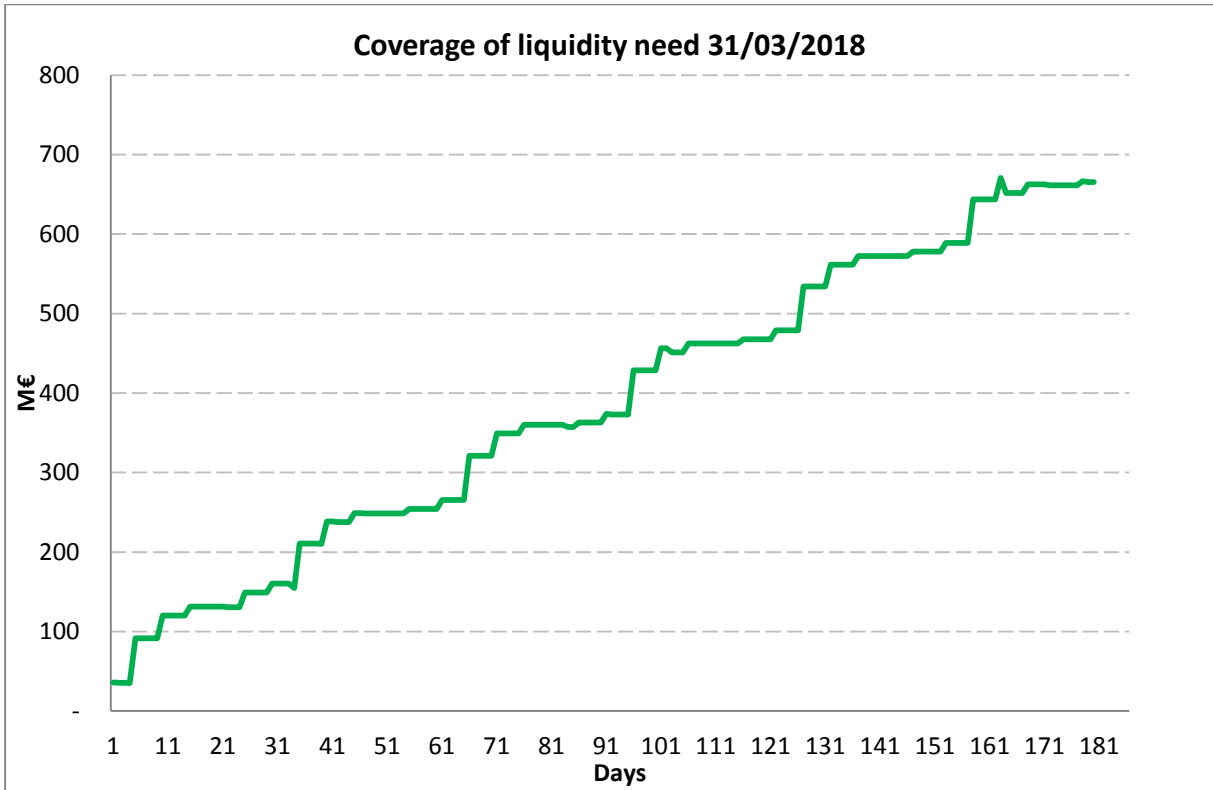
| Sensitivity to interest rate variation | M€ |
|--|--------|
| -2% | 5.00 |
| 2% | -19.23 |

VII – Coverage of liquidity need

Pursuant to article R. 515-7-1 of the *French Code Monétaire et Financier*, the liquidity need is computed over a 180 days period in “transparency”.

The cash-flows of the home loans received in collateral are recorded as inflows rather than the cash-flows of the “Credit Facility” guaranteed by the Home loans.

As of 31st March 2018, the liquidity need over 180 days is null and thus covered.



Paris, 15th May 2018